

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7355

BILL NUMBER: HB 1743

DATE PREPARED: Dec 27, 2000

BILL AMENDED:

SUBJECT: Pet Friendly Trust License Plates.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill creates a Pet Friendly special recognition license plate. It establishes the Indiana Pet Friendly Trust Fund, and provides for the \$25 annual fee paid for a Pet Friendly Trust license plate to be deposited in the Trust Fund. The bill specifies the method of distribution for the funds deposited in the Pet Friendly Trust Fund. It creates the Pet Friendly Trust Fund Committee to distribute by grant the funds accumulated in the Pet Friendly Trust Fund. The bill specifies the criteria for an organization to be eligible to apply for a grant from the Pet Friendly Trust Fund. It requires the Pet Friendly Trust Fund Committee to design and approve a grant application form for the Indiana Pet Friendly Trust Fund.

Effective Date: January 1, 2003.

Explanation of State Expenditures: Prison Enterprise Network (PEN Products), the manufacturing arm of prison-made products, submits charges to the Bureau of Motor Vehicles (BMV) based on the number of colors in the design as shown in the schedule below:

<u>Colors</u>	<u>Set-Up Charge</u>	<u>Price Per Plate*</u>
1	\$105	\$3.90
2	\$170	\$4.00
3	\$235	\$4.10
4	\$300	\$4.30
5	\$365	\$4.60
6	\$430	\$5.00

*These prices are effective for the 2001-2003 biennium.

Additional charges include \$75 per color for any special colors that are not included in PEN's ten standard

colors. If PEN Products does the artwork, there is a \$45-per-hour charge. Origination fees include the film positives and the silk screen charges. When the art work is provided by the customer, the set-up fee is \$17.50. The fund affected for PEN Products is PEN Products Revolving Fund. There will be computer and accounting changes for the BMV. The fund affected for the BMV is the Motor Vehicle Highway Account which supports the BMV.

The Commissioner of the BMV is to administer the newly created Indiana Pet Friendly Trust Fund. Expenses of administering the fund shall be paid from money in the fund. Money in the fund at the end of a state fiscal year does not revert to the state General Fund.

The proposal also creates the Indiana Pet Friendly Trust Fund Committee. The Committee consists of seven members with one member representing each of the following organizations: 1) the Indiana Veterinary Medical Association; 2) the Indiana State Board of Animal Health; 3) a shelterless humane organization; 4) a private sheltered humane organization; 5) an animal care and control facility administered by a governmental unit (as defined in IC 36-1-2-23); 6) the Purdue University School of Veterinary Medicine; and 7) one member representing the general public.

The expenses of the Committee shall be paid from the Indiana Pet Friendly Trust Fund. On June 30 of each year, the Commissioner of the BMV shall distribute the money in the Fund according to the determinations made by the Committee. The Committee shall determine the use of the funds in the following manner:

- 1) Grants for payment of spay and neuter solutions for dogs and cats. (Each grant shall include not more than 2% for educational purposes to promote the spaying and neutering of dogs and cats.)
- 2) Not more than 2% of the fund each year may be used for the promotion of the Indiana Pet Friendly license plate.
- 3) Not more than 5% of the fund each year may be used for administrative purposes related to the Committee.

Explanation of State Revenues: Potential revenue from the sales of the newly created Indiana Pet Friendly Trust license plate is not known. The bill provides for a \$25 annual fee for the newly created Trust plate. Based on the 1999 sales of special recognition license plates, revenue resulting from the \$25 annual fee could range from \$925 to \$1,906,600. This money would be deposited into the newly created Trust Fund.

There also is an administrative fee of \$12 for special recognition license plates. The \$12 fee is distributed with \$6 going to the Bureau of Motor Vehicles Commission, \$5 going to the Motor Vehicle Highway Account, and \$1 going to the Crossroads 2000 program for highway bonding and construction. Revenue from this fee is not known. However, based on the 1999 sales of special recognition license plates, total revenue from the \$12 fee could range from \$444 to \$915,168.

It should be noted that it is possible that sales of these new special plates could, to some extent, supplant the sales of the other special plates.

The newly created plates will be available after December 31, 2002.

Explanation of Local Expenditures:

Explanation of Local Revenues: The revenue to local units will depend upon the number of license plates sold and the number of animal control facilities administered by governmental entities.

State Agencies Affected: Bureau of Motor Vehicles; Department of Correction (PEN Products).

Local Agencies Affected: Animal care and control facilities administered by counties, municipalities, or townships.

Information Sources: Becky Gillam, Sales and Marketing Director of PEN Products, 387-2020; Bureau of Motor Vehicles license plate data for 1999.